

QUESTION AND ANSWER

BANK INDONESIA CIRCULAR LETTER

ON REPURCHASE AGREEMENT TRANSACTION ON CHINESE YUAN AGAINST RUPIAH SECURITIES OF A BANK TO BANK INDONESIA

1. Q : Is it possible to conduct a CNY/IDR Repo transaction in order to meet company payment needs in Indonesia with Chinese trading partners which are not pilot enterprises?

A : It is not allowed. A CNY/IDR Repo transaction may only be conducted by a bank in order to meet the payment needs of Indonesian company with its Chinese trading partners included in the list of pilot enterprises. It is in accordance with the provisions stipulated by the People's Bank of China.

2. Q : How does a Bank obtained information that the trading partner of its customer has been included into the List of Pilot Enterprises? How is the update on such information made?

A : Information on the List of Pilot Enterprises will be given by Bank Indonesia in an Appendix to Bank Indonesia External Circular Letter, including the updates/change to the said List.

3. Q : How can a Bank know the pricing of a CNY/IDR Repo transaction?

A : Bank Indonesia will publish the pricing of CNY/IDR Repo in the form of repo rate by no later than 5 (five) Business Days at 12.00 AM after the date of proposal for the plan for the need of CNY via Reuters pages.

4. Q : **How can a Bank know the amount of Repurchase Value that must be paid to Bank Indonesia on the Maturity date?**

A : Bank Indonesia will inform the amount of Repurchase Value when a Bank conducts a CNY/IDR Repo transaction with Bank Indonesia within the CNY/IDR Repo Window Time.

5. Q : **Is a Bank required to submit Securities as a pledge in order to conduct a CNY/IDR Repo transaction with Bank Indonesia?**

A : A Bank is required to make a pledge of Securities by no later than 1 (one) Jakarta business day prior to the Value Date and will be effective as of the Value Date.

6. Q : **How long the Securities will be made as a pledge?**

A : The tenure of pledge of Securities will be in accordance with the Tenure of CNY/IDR Repo plus 6 (six) Jakarta business days.